



SHOPPING AREA REDEVELOPMENT AUTHORITY

Wednesday, March 9, 2016

Immediately following the 3 p.m. DDA Board Meeting

Council Chambers, City Hall – Midland, MI

1. Roll Call: Arnold, Barbeau, Bott, Brines, Kaye, Kell, Lauderbach, McGuire, Miller, Rathbun, Slezak, Staffileno, Wright
2. SARA Overview and recommendation from Midland Downtown Business Association
3. Public Comments
4. Action Item
 - Recommendation to renew the SARA Special Assessment for 2016-17 and 2017-18 be set at \$45,000 per year
5. Adjourn

March 5, 2016

To: Shopping Area Redevelopment Authority (SARA) Board
From: Selina Tisdale, Director of Community Affairs
Subject: Midland Downtown Business Association 2016 SARA Recommendation

2016 is a renewal year for the Shopping Area Redevelopment Act (SARA) assessment for downtown Midland.

As you may recall, the SARA is a tool provided by the State of Michigan that allows cities with a master plan to establish principal shopping district(s) and to levy special assessments to promote the district. The Act provides the legal basis for which a process could be used in activities for the development or redevelopment of a principal shopping district. Such activities may include regulating parking; maintaining and operating a district; improving streets; contracting for operating and maintenance of off-street parking; acquiring, maintaining, or operating real and personal property; promoting economic activity in the district by conducting market research and public relations campaigns, developing, coordinating and conducting retail and institutional promotions and sponsoring special events and related activities.

Since 1994, the SARA had been assessed at the rate of \$36,000 annually to properties in downtown Midland.

In 2014, the MDBA met with the district to receive input on the consideration of increasing the SARA assessment from \$36,000 to \$45,000. This received favorable input from the district and was ultimately approved by the SARA board and Midland City Council in 2014.

The district was interested in having the MDBA revisit this assessment in 2016 to see if growth in the district would warrant extension of the SARA assessment into the expanded district. In fall 2015, the MDBA took a look at the type of growth experienced in the expanded district and found that it was not feasible to extend the SARA into the expanded district at this time.

Therefore, the 2016 SARA renewal request will be to maintain the SARA assessment at its current \$45,000 level.

The SARA assessment continues to be assessed based on front footage and according to two characteristics.

The first characteristic is the **LOCATION** of the property in relationship to Main Street. Those on and closer to Main Street are classified in Zone 1 and those properties off Main Street in Zone 2. The second characteristic is the **TYPE** of business that occupies that property. Business types are assessed according the following:

Zone 1	Zone 2
<ul style="list-style-type: none"> • Factor of 1 for retailers, restaurants & financial institutions • Factor of .25 for services • Factor of .5 for hotels 	<ul style="list-style-type: none"> • Factor of 0.25 for retailers & restaurants • Factor of 0.125 for services



The \$45,000 collected in SARA revenue is budgeted by the Midland Downtown Business Association (MDBA) and has been historically allocated as follows:

- \$15,500 for holiday decorations
- \$16,500 for DDA staff support
- \$ 8,000 for events and promotions.
- \$5,000 for shop/dine advertising of the district.

What do property owners and businesses receive from their SARA assessment?

As indicated in the budget breakdown above, the revenue received from the SARA assessment provides for:

- The holiday decorations that light up the downtown for the holidays from November through January;

- Staff support including the coordination and execution of all MDBA sponsored events, coordination of the MDBA marketing committee and its projects, social media marketing from Facebook and the downtownmidland.com website and meeting preparation and project follow up identified by the MDBA board and All Businesses meetings;
- The costs for holding and marketing eight MDBA-sponsored events: Deals at the Diamond, Meet Your Merchants, sidewalk sales, Cruise 'n Car Show, Chili & Salsa Taste-Off, Pumpkin Fest, Holiday Open House weekend and Holly Jolly Days.

The proposed amount continues the added element of downtown promotions focused specifically on increasing awareness of the shopping and dining elements of downtown Midland.

The MDBA board would like to make the above recommendation to the SARA board and would request that it schedule a meeting to consider setting the 2016-28 SARA recommendation following the DDA Board meeting scheduled for Wednesday, March 9.

Next Steps / Timeline:

- MDBA board met September 10, 2015 reviewed SARA details and recommended no change be made to the SARA renewal for 2016-18.
- MDBA All Business meeting held, recommendation to maintain SARA at its current level discussed, September 23, 2015.
- The MDBA board requests that the SARA Board (DDA Board) consider the recommendation on **March 9**;
- Upon approval from the SARA board the recommendation will go before Midland City Council for introduction on **March 21**;
- City Council will receive the report and schedule a hearing of necessity for **April 11**;
- City Council will hold the hearing of necessity and schedule a public hearing on the roll for **April 25**;
- Public hearing on the roll and adoption will take place on **April 25**.



SHOPPING AREA REDEVELOPMENT AUTHORITY Minutes

Wednesday, March 12, 2014

Immediately following the DDA Board Meeting

Council Chambers, City Hall – Midland, MI

MINUTES

Roll Call Present: Barbeau, Brines, Kell, McGuire, McIvor, Rathbun, Slezak, Thompson, Wallin

Absent: Anderson, Arnold, Lynch, Miller

Staff Present: Tisdale, Hufford, Szostak, Todd

Tisdale presented an overview of the requested 2014-16 Shopping Area Redevelopment Act (SARA) assessment. The Midland Downtown Business Association (MDBA) board recommends increasing the SARA from \$36,000 to \$45,000 annually for a two-year period.

The MDBA shared this information with downtown property owners both on an informal basis and by holding two business meetings to discuss the proposed increase. Several property owners engaged in active discussion on this topic.

The reasoning for the increase is threefold:

- Additional funding would be used for marketing downtown Midland's retail, restaurant and service district to increase customers and visitors to the area – an expenditure which is not currently available with the current revenue structure;
- The amount allocated to staff support of MDBA activities has remained static since 1998 and is in need of adjustment;
- The SARA assessment was instituted in 1994 and has collected \$36,000 annually since its inception – it has remained at that amount for the past 19 years.

The increased revenue would be allocated as follows:

- Holiday Lighting, \$15,500
- Staff Support, \$16,500
- Events Budget, \$8,000
- Shopping/dining marketing, \$5,000

Preliminary numbers show the SARA increase would have an average annual increase of \$124.72 on downtown property owners.

The SARA will continue to be assessed to downtown properties at a variable rate depending on the type of business (retail, restaurant or service) and the property location in proximity to Main Street.

The SARA will continue to only be assessed to properties in the original downtown district and has not been extended to the expanded district.

Public Comments

Patty Aspin, Midland Area Chamber of Commerce and past-president of the Midland Downtown Business Association, spoke in support of the recommended SARA assessment for 2014-16.

The following action item was then presented:

WHEREAS, the Shopping Area Redevelopment Act (SARA) Board met on March 12, 2014, to review the SARA assessment for the Downtown Midland district for the 2014-15 and 2015-16 fiscal years; now therefore

RESOLVED, that the SARA Board hereby recommends the following to Midland City Council: the assessment against properties within the SARA District be increased for the years 2014-15 and 2015-16; that the amount to be raised in these years shall be \$45,000 annually; and that the Midland Downtown Business Association reimburse the Downtown Development Authority \$16,500 annually for the services provided.

Brines moved that the recommended 2014-16 SARA assessment be adopted, McIvor seconded. The recommendation was unanimously supported.

There was no new business for the SARA Board.

The meeting adjourned at 3:44 p.m.

WHEREAS the Shopping Area Redevelopment Act (SARA) Board met on March 9, 2016, to review the SARA assessment for the Downtown Midland district for the 2016-17 and 2017-18 fiscal years; now therefore

RESOLVED, that the SARA Board hereby recommends the following to Midland City Council:

- the assessment against properties within the SARA District be increased for the years 2016-17 and 2017-18;
- that the amount to be raised in these years shall be \$45,000 annually; and
- that the Midland Downtown Business Association reimburse the Downtown Development Authority \$16,500 annually for the services provided to them by the DDA office.

Presented to the Shopping Area Redevelopment Act Board on March 9, 2016

Motion made by:

Motion supported by:

Yeas:

Nays:

Absent:

Outcome: